

MEMO

Job **Comments to "Draft tender conditions wind and solar pv Denmark 2018**
Client **Danish Energy Agency (Energistyrelsen)**
Memo no. **1**
Date **29/01/2018**
To **Advisor Sobia Waheed**
From **Flemming Stig Pedersen**
Copy to

First of all Ramboll would like to thank The Danish Energy Agency for the opportunity to comment the on "draft tender conditions".

Date 29/01/2018

Paragraph 5.1 General

"A contract on price premium for electricity generated by onshore wind turbines, open door offshore wind turbines, or solar PV installations provides access to production aid in the form of price premiums for all electricity generated by installations covered by the contract and delivered to the Danish collective electricity supply grid, for 20 years from the date of grid connection".

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Comment:

The start of the 20 years period, is this the date the plant is connected to the grid, but not tested, or from approved commissioning date or ...? It could be beneficial with a firmer definition of when the 20 years period start.

"The total number of contracts to be issued has not been determined. The intention is to conclude one or several contracts on the basis of the award criterion lowest price premium, cf. clause 6 below, until the total budget of DKK 365 million (2017-prices) has been spent, cf. clause 6.4 below."

Comment:

What happens if one or more of the plants are not built? Will there be a new auction?

It could happen that ONE contract takes the whole capacity at one single point of grid connection. Is there an intention to spread the Premium over various bidders? Minimum & maximum capacities may control the provision of the budget.

5.4.2 Extension of the time limit for grid connection

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“Precipitation, low temperatures, strong winds or other weather conditions preventing or delaying work, where such weather conditions occur to a significantly greater extent than usual for the season and area in question.”

Comment:

What is the definition of “significant greater”?

5.5 Retention penalty and guarantees

5.5.1 Retention penalty

“The amount of the retention penalty for each winning project will thus be calculated using the following formula:”

Comment:

The Retention penalty can result in a very uneven location of projects in Denmark, as the total hours of sunshine hours is not equal nor is the wind conditions. It could be considered to include site conditions in the calculation of penalty.

5.5.4 Lapse of the demand guarantee

The guarantee will lapse when electricity corresponding to 95% of the installed capacity is delivered for the first time to the Danish collective electricity supply grid from installations covered by the contract.

Comment:

As the sun radiation during wintertime is low the 95% delivery demand will be very hard to achieve during wintertime for a PV plant. This could lead to the situation that the installation is finished in November, but the lapse of the demand guarantee will not take place until April.

For windturbine plant this will not be a problem as hours of full production will take place both in summer and wintertime.

As we understand the guaranty, its based on the DC side of the inverters for the PV plants, but the AC side for the Wind turbine plants. Besides that, it can be hard to reach the 95% delivery of installed capacity at any point. It is recommended to have equal calculation from one technology to another and clearer definition.

6.2 Ranking

“Bids above 13.00 øre per kWh will not be accepted.”

Comment:

13.00 Oere per kWh is very low for PV plants. This could lead to only wind turbine plants.

7.1 The bid

The installed capacity of each installation and all the installations together. The installed capacity is to be stated in whole kW and is the largest active capacity the installation is constructed to supply continually,

Comment:

What is the definition of “Active capacity”?

7.1 The bid

“The planned geographical location of each installation.”

Comment:

What is the definition of “geographical location”? (GPS coordinates, address, region, ...)?